REMARKS

This application has been reviewed in light of the FINAL REJECTION mailed May 30, 2008. Reconsideration of this application in view of the below remarks is respectfully requested. Claims 1 – 27 are pending in the application with Claim 1, 12, 17, 22, 24 and 26 being in independent form.

By the present amendment, Claims 1, 12, 17, 22, 24 and 26 are amended by way of the present amendment to recite: "...control an average bit rate, and a frame rate of said compressed video image data in response to changes to a free area of a recording medium for recording said compressed video image data, said control occurring throughout said compressing of said non-compressed video image data..." Since the features recited in the claims are fully supported in the disclosure as originally filed, no new subject matter is introduced into the disclosure by way of the present amendment.

Rejection of Claims 1-27 Under 35 U.S.C. § 102(b)

Claims 1 – 27 are rejected under 35 U.S.C. § 102(b) as allegedly anticipated by U.S. Patent No. 6,144,797 issued to MacCormack et al.

The video security system disclosed in MacCormack et al. includes a compression circuit that applies a JPEG compression to the individual reference fields of the video being recorded, while the difference fields are only recorded and compressed if a significant amount of change in the scene has occurred in comparison to the reference field. A user of the MacCormack et al. system controls the recording quality of the video prior to initiation of recording, by selecting quality settings from a drop-down list. (See: Col. 86, lines 3-30).

There is, however, no disclosure of an encoder controller, which controls an average bit rate, and a frame rate of said compressed video image data in response to changes to a free area of a recording medium for recording the compressed video image data, wherein the control

occurs throughout the compressing of the non-compressed video image data, as recited in the claims. In this way, the present invention can optimize the quality of the compressed video image data in response to changes in the amount of free area on the recording medium.

In contrast, MacCormack et al. sets the frame size, a frame rate, and an average bit rate of the compressed video image data at the initiation of the compression process and maintains the same parameter values throughout the compression of a non-compressed video image data.

Thus, if during compression more space is made available on the recording medium during a compression process (for example by deletion of data stored on the storage medium), the MacCormack et al. disclosed system does not control the parameters in order to utilize the newly available space throughout the compression process.

With regards to the free area on the recording medium, MacCormack et al. discloses two options, the first being recording data until the medium is full; and the second being recording video data on the recording medium in a continuous loop. There is no disclosure of controlling any aspect of the video compression based on changes to the amount of free space on the recording medium.

The Examiner erroneously contends that the Claims do not "...specifically point out [that the control occurs] when the compression is in progress." However, independent Claims 1, 12, 17, 22, 24 and 26, as amended in the response filed on February 19, 2008, explicitly recite that the control occurs throughout the compressing of the non-compressed video image data. No ambiguity is believed to exist in the recited clause with regards to when the control is occurring.

It is well-settled by the Courts that "[A]nticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the

claim." Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Company, et al.,

730 F.2d 1452, 221 USPQ 481 (Fed. Cir., 1984).

Therefore, as demonstrated above, because MacCormack et al. does not disclose each and every

element recited in the present claims, Applicant respectfully submits that the rejection has been

obviated. Accordingly, Applicants respectfully request withdrawal of the rejection with respect

to Claims 1 - 27 under 35 U.S.C. § 102(b).

CONCLUSIONS

In view of the foregoing amendments and remarks, it is respectfully submitted that all

claims presently pending in the application, namely, Claims 1-27 are believed to be in

condition for allowance and patentably distinguishable over the art of record.

If the Examiner should have any questions concerning this communication or feels that

an interview would be helpful, the Examiner is requested to call Applicant's undersigned

attorney at the number indicated below.

Respectfully submitted,

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